BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott Chair
Edward A. Garvey Commissioner
Marshall Johnson Commissioner
LeRoy Koppendrayer Commissioner
Phyllis A. Reha Commissioner

In the Matter of a Petition for Extended Area Service from Kerkhoven to Willmar ISSUE DATE: June 6, 2002

DOCKET NO. P-418, 421/CP-97-1520

ORDER CERTIFYING POLLING RESULTS AND REQUIRING IMPLEMENTATION

PROCEDURAL HISTORY

On October 12, 1997 telephone subscribers in the Kerkhoven exchange filed a petition seeking extended area service (EAS) to the neighboring exchange of Willmar. The Kerkhoven exchange is served by Mid-State Telephone (Mid-State); the Willmar exchange is currently served by Qwest Communications Inc. (Qwest).

On July 14, 1999, the commission issued an Order finding that the proposed Kerkhoven/Willmar EAS route met the threshold requirements of adjacency and traffic volume. The Commission therefore directed the incumbent local exchange carriers serving Kerkhoven and Willmar to determine the cost of installing and operating the proposed routes and to develop proposed rates to recover those costs. The Commission would then poll the Kerkhoven subscribers to determine whether they wanted EAS at those rates.

The companies duly filed their cost studies and proposed rates, but the Commission did not proceed directly to polling. Instead, in a series of Orders issued between November 1998 and May 2001, the Commission addressed a series of new issues posed by the need to adapt EAS to the competitive telecommunications market mandated by state and federal law. With these issues largely settled, the Commission met on November 20, 2001 to again consider the Kerkhoven petition.

On November 29, 2001, the Commission issued its ORDER SETTING EAS RATE ADDITIVES AND REQUIRING POLLING and telephone subscribers in the Kerkhoven exchange were polled between February 6 and March 25, 2002.

On May 2, 2002, the Commission met to consider the polling results for the Kerkhoven and the Willmar proposed EAS route.

FINDINGS AND CONCLUSIONS

I. CERTIFICATION OF POLLING RESULTS: KERKHOVEN AND WILLMAR

The results of the polling show that a majority of voting subscribers in the Kerkhoven exchange voted in favor of EAS to the International Falls exchange. The results were as follows:

Polling results for Kerkhoven

Voting Exchange	Petitioned Exchange	Res. EAS Rate	Bus. EAS Rate	% Votin g	Yes		No	
					#	%	#	%
Kerkhoven	Willmar	\$6.03	\$9.56	65.3	288	58.3	206	41.7

II. ORDER FOR INSTALLATION

The third and final statutory criterion for EAS is that a majority of customers responding to a poll in the petitioning exchange favor its installation. Because a majority of Kerkhoven customers returning their ballots voted in favor of the proposed EAS route, the third and final criterion is met in each petition.

Accordingly, the Commission will direct Mid-State and Qwest, the affected telephone companies in this matter, to implement the requested EAS route within 12 months of the date of this Order. To expedite and coordinate the implementation process, the Commission will order Mid-State to coordinate implementation of EAS in the Kerkhoven exchange with Qwest Communications, Inc. (Qwest), the telephone company serving the Willmar exchange, and file a schedule of the planned implementation within 60 days of this Order. Mid-State will also be required to immediately file an explanation of the reasons for any subsequent change in that schedule.

III. MISCELLANEOUS

Details regarding recovery of the non-recurring expenses caused by non-recurring costs of EAS balloting, further customer notices and the approval process for those notices, as well as tariff filing requirements, are addressed in the Ordering Paragraphs.

ORDER

- 1. The Kerkhoven to Willmar EAS route is hereby approved.
- 2. The affected telephone companies (Mid-State Telephone and Qwest)s hall implement the service within 12 months following the date of this Order.
- 3. Mid-State shall coordinate the implementation and file implementation schedules within 60 days of the Order. If, for some reason, the implementation schedules change, the Company should immediately notify the Commission and explain the reason(s) for the change(s).

- 4. Mid-State shall file the first of two proposed customer notices for approval by Commission staff within 10 days of the date of the Order. The notices shall list the results of the polling, the EAS additives and the proposed implementation date (s). After approval, the Company shall serve the notices in the first possible billing cycle in their respective exchanges.
- 5. Mid-State shall send final, Commission approved, notices to customers in the petitioning exchange, either by bill insert or separate mailing. The final notices shall describe the service, instruct customers on dialing, list the additional monthly rates, the date of implementation and any other pertinent information. The Company must issue these notices one month before they implement EAS.
- 6. Mid-State shall make any requests for recovery of non-recurring costs at least 120 days before the planned implementation dates. The Department shall have 30 days to comment on the proposed charges.
- 7. Mid-State shall file tariff sheets reflecting Commission Orders that establish the rates and terms for EAS between Kerkhoven and Willmar. These tariff sheets shall be filed at least 30 days before implementation of EAS. Once this is done, this docket shall be closed.
- 8. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar Executive Secretary

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